

Vote 6

Department of Economic Affairs

AMOUNT TO BE APPROPRIATED:	R67 571 000
STATUTORY AMOUNT:	
RESPONSIBLE EXECUTIVE AUTHORITY:	MEC FOR FINANCE AND ECONOMIC AFFAIRS
ADMINISTERING DEPARTMENT:	DEPARTMENT OF ECONOMIC AFFAIRS
ACCOUNTING OFFICER:	HEAD OF DEPARTMENT

1. OVERVIEW OF THE DEPARTMENT

1.1 Core Functions and Responsibilities of the Department:

- Development and refinement of sector strategies (specifically for agro-processing industries, mining and minerals-processing, industrial development and manufacturing, black economic empowerment (BEE), SMME development, fishing and mariculture, trade and investment);
- Ensuring the availability of economic intelligence;
- Facilitating access to supply-side measures;
- Establishment of strategic alliances and partnerships;
- Support in terms of governance and inter-governmental relations;
- Promotion of economic growth, diversification and transformation of the provincial economy.

1.2 Vision

- Promotion of Economic Growth and Economic Development in the Northern Cape Province based on DE²BS, i.e.:
 - Diversification;
 - Empowerment;
 - Employment;
 - Business Creation;
 - Sustainable Development

1.3 Mission

To create an enabling economic environment for the Northern Cape.

1.4 Strategic Focus Areas

- To promote and facilitate economic growth
- To promote economic development
- To diversify the economy
- Business Regulation and Consumer Protection
- Information and Communication Technology
- Human Resource Development
- Communication
- Compliance

1.5 Strategic Objectives

- Promote and support the agro-processing sector.
- Promote mining development and mineral beneficiation in the Province.
- Promote the growth and development of the manufacturing sector.
- Support the development of SMME's to grow, transform and diversify the economy.
- Promote the ICT sector as resource for economic growth and development.
- Identify, monitor and support infrastructure development for socio-economic development.
- Promote the development of the fishing and mariculture sector.
- Support, identify and monitor the development of the tourism sector for socio- economic growth and development.
- Provide a uniform regulatory framework for business regulation, consumer protection and effective revenue collection to enhance equity and predictability.
- Ensure compliance by departmental institutions with legislative and regulatory frameworks and good corporate governance.
- Acquire, retain and develop the required skills within the organisation (internal).
- Ensure access to knowledge and skills development in our institutions (external)

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2005/06)

The first phase of organisational restructuring and the change management process has been completed. Key vacancies have been filled and organisational and individual performance management systems were developed and aligned.

A new Economic Growth and Development Fund Policy (Innovation Fund) was developed and Economic Sector and Social Accounting Matrix Steering Committees were established respectively and these committees meet regularly. The Social Accounting Matrix has been established and populated as well.

The Northern Cape Provincial Growth and Development Strategy (NCPGDS) has been presented to various stakeholders and sectors in the province (29 presentations were made to stakeholders in total) as part of the process of embedding the PGDS. Three economic models were developed and a draft monitoring and evaluation framework was developed for the NCPGDS. The department also worked on analysis and development of implementation plans for the various sector strategies emanating from the NCPGDS, including the manufacturing strategy, the mining and mineral beneficiation strategy and the fishing and mariculture strategy. Industries that received specific attention include the iron ore, manganese, diamonds, semi-precious stones, grapes, wine, cotton, olive, garments, light engineering, arts and craft, organic meat, long line fishing, lobster fishing, mariculture, kelp harvesting, etc.. Investors from Brussels, Russia, the USA, Malaysia and China were visited and hosted locally in an effort to promote industrial development, trade and export, as well as infrastructure development. In addition to this, the Department, in partnership with ABSA Bank, developed a SMME Strategy.

The Department also developed a detailed project plan for the proposed piloting of the Information Society and Development Strategy project (a joint project between the Finnish and South African governments) in Northern Cape (amongst others) from 1st April 2006. The Department also organized and hosted the Finance Sector Summit this year. At this Summit, a partnership between the Department and Standard Bank to provide financial support to emerging SMME's to access opportunities arising from the preferential mining procurement initiative, was launched.

The liquor and gambling boards, liquor, gambling and consumer protection legislation and revenue collection received special attention in this year as well. In addition, new provincial legislation on liquor and gambling was developed in this year.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2006/07)

Some of the most important challenges for the department in 2006/2007 include:

- Rollout of the Small Enterprise Development Agency programme province wide.
- Development and implementation of a Northern Cape Co-Operatives Strategy.
- Implementation of the new provincial liquor and gambling legislation.
- Implementation of the Northern Cape Mining and Mineral Beneficiation Strategy and Implementation Plan.
- Implementation of the Fishing and Mariculture Strategy.
- Development of the Manufacturing Sector, Manufacturing Cluster and Manufacturing Centres.
- Northern Cape Information Society Strategy (NCISS) development plan.
- Formulation and Implementation of provincial LED strategy.
- Refocusing of Existing Agencies and Establishing of a Trade and Investment Agency.
- Perform DEA Oversight role.
- Overseeing and aligning economic sector plans with the achievements of the NCPGDS objectives.
- Social Accounting Matrix must be populated at industry level and economic intelligence must be built to evaluate the economic viability and competitiveness of different opportunities and options for economic growth and development.

The department is currently structured with four (4) programmes that can be identified as follows:

- Programmes 1 – Administration
 - Office of the HOD
 - Departmental Support Services
 - Departmental Accounting
- Programme 2 – Economic Development
 - Innovation Fund / Economic Development Fund
 - Enterprise and Local Economic Development
 - Economic Support Services
 - Chief Director Support
- Programme 3 -Policy Planning and Research
 - Strategy Management
 - Economic Research
 - Business Initiative Development
 - Information Management and IT Support
 - Office of the Chief Director
- Programme 4 – Business Regulation and Consumer Protection
 - Liquor Affairs
 - Gambling Board Support
 - Consumer Protection and Advisory Services

4. RECEIPTS AND FINANCING

Table 4.1: Summary of Receipts: Department of Economic Affairs

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Treasury Funding									
Equitable share	34,093	41,012	32,557	66,500	70,634	70,625	67,571	71,143	75,125
Conditional grants									
Departmental Receipts	9,779	9,426	10,743	10,657	10,657	10,657	15,511	16,286	17,101
Total receipts	43.872	50.438	43.300	77.157	81.291	81.282	83.082	87.429	92.226

Table 4.2: Departmental receipts: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Tax receipts	9,779	9,426	10,097	10,657	10,657	10,657	15,511	16,286	17,101
Casino taxes	8,575	9,426	8,827	9,194	9,194	9,194	13,975	14,673	15,408
Horse racing taxes	573		384	561	561	561	589	619	649
Liquor licences	631		886	902	902	902	947	994	1,044
Motor vehicle licenses									
Sales of goods and services other than capital assets			14						
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets			140						
Financial transactions in assets and liabilities			492						
Total departmental receipts	9,779	9,426	10,743	10,657	10,657	10,657	15,511	16,286	17,101

Table 4.3 Summary of Receipts: Department of Economic Affairs

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Treasury Funding									
Equitable share	34,093	41,012	32,557	66,500	70,634	70,625	67,571	71,143	75,125
Conditional grants									
Other									
Total Treasury Funding	34,093	41,012	32,557	66,500	70,634	70,625	67,571	71,143	75,125
Departmental receipts									
Tax receipts	9,779	9,426	10,097	10,657	10,657	10,657	15,511	16,286	17,101
Sales of goods and services other than capital assets			14						
Transfers received from:									
Fines, penalties and forfeits									
Interest, dividends and rent on land									
Sales of capital assets			140						
Financial transactions in assets and liabilities			492						
Total departmental receipts	9,779	9,426	10,743	10,657	10,657	10,657	15,511	16,286	17,101
Total receipts	43,872	50,438	43,300	77,157	81,291	81,282	83,082	87,429	92,226

5. PAYMENT SUMMARY

FINANCIAL YEAR 2006/2007
FINANCIAL YEAR 2007/2008
FINANCIAL YEAR 2008/2009

R67, 571 MILLION
R71, 143 MILLION
R75, 125 MILLION

5.1 Summary per programme

Table 5.1: Summary of Payments and Estimates: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Administration	5,642	6,135	7,576	10,400	10,900	11,928	10,417	11,200	11,716
Economic Development	24,116	32,372	20,164	38,138	42,272	41,236	38,592	39,650	41,740
Policy, Planning and Research				11,950	11,000	11,000	11,950	12,511	13,089
Business Regulations and Consumer Support	4,335	2,505	4,817	6,012	6,462	6,461	6,612	7,782	8,580
Total payments and estimates	34,093	41,012	32,557	66,500	70,634	70,625	67,571	71,143	75,125
Statutory Amount*									
Total	34,093	41,012	32,557	66,500	70,634	70,625	67,571	71,143	75,125

* Amount forming a direct charge on the Provincial Revenue Fund

5.2 Summary per economic classification

Table 5.2: Summary of Provincial Payments and Estimates by Economic Classification: Department of Economic Affairs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	29,775	16,588	21,555	36,230	36,230	37,196	37,878	40,705	43,177
Compensation of employees	8,798	7,149	9,826	23,080	19,688	19,002	24,723	26,206	27,529
Goods and services	20,977	9,439	11,729	13,150	16,542	18,194	13,155	14,499	15,648
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	4,000	24,044	10,582	29,000	33,134	32,159	29,200	29,900	31,395
Provinces and municipalities		4	24			63	4,200	4,900	5,145
Departmental agencies and accounts						32,096			
Universities and technikons									
Public corporations and private enterprises	4,000	24,040	10,558	29,000	33,134		25,000	25,000	26,250
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	318	380	420	1,270	1,270	1,270	493	538	553
Buildings and other fixed structures									
Machinery and equipment	318	380	420	1,270	1,270	1,252	493	538	553
Cultivated assets									
Software and other intangible assets						18			
Land and subsoil assets									
Total economic classification	34,093	41,012	32,557	66,500	70,634	70,625	67,571	71,143	75,125
Statutory Amount*									
Total	34,093	41,012	32,557	66,500	70,634	70,625	67,571	71,143	75,125

* Amount forming a direct charge on the Provincial Revenue Fund

5.3 Transfers to Local Government

Table 5.3 below indicates transfers to local government per category. The only transfer to local government that the department makes is in respect of the Regional Service Council Levy.

Table 5.3: Summary of departmental transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Category A		4	16			62	20		
Category B									
Category C									
Total departmental transfers		4	16			62	20		

6. PROGRAMME DESCRIPTION

6.1 PROGRAMME 1: ADMINISTRATION

The purpose this programme is to:

- provide managerial and administrative direction to the Department according to the Public Service Act and its regulations, the Public Finance Management Act and the Treasury Regulations;
- provide technical support and economic policy advice to the executing authority; and
- ensure overall effective, efficient and orderly conduct of business in the department.

This programme consists of four sub-programmes, namely, Office of the HOD, Departmental Support Services, Departmental Accounting, and Office of the MEC.

Table 6.1: Summary of payments and estimates: Programme 1 Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Office of the HOD	2,673	2,222	1,943	3,500	4,000	3,500	3,517	3,700	3,877
Departmental Support Services	2,759	3,690	5,633	2,800	2,800	2,800	2,800	3,200	3,356
Departmental Accounting	210	223		4,100	4,100	5,128	4,100	4,300	4,483
Office of the MEC						500			
Total	5,642	6,135	7,576	10,400	10,900	11,928	10,417	11,200	11,716

Table 6.1.1: Summary of payments and estimates by economic classification: Programme 1 Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	5,328	5,755	7,187	10,060	10,560	11,533	10,277	11,030	11,536
Compensation of employees	3,287	2,956	3,966	6,833	5,690	5,690	7,208	7,478	7,788
Goods and services	2,041	2,799	3,221	3,227	4,870	5,843	3,069	3,552	3,748
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:			7			55	20		
Provinces and municipalities			7			55	20		
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	314	380	382	340	340	340	120	170	180
Buildings and other fixed structures									
Machinery and equipment	314	380	382	340	340	340	120	170	180
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	5,642	6,135	7,576	10,400	10,900	11,928	10,417	11,200	11,716

The challenges to this programme are the following:

The *Office of the Head of Department* facilitated a process of organizational development and change management in 2005 geared at the transformation and positioning of the Department for enhanced service delivery during the MTEF period in accordance with its mandate. The office is currently overseeing the implementation of specific systems, processes and procedures aimed at improving internal functioning through an effective, efficient and economical administration.

The *Departmental Support Services* sub-programme is facing the challenge of delivering new human resource management policies and supervising the staff recruitment drive under the conditions of pressure on the department for accelerated economic development and business growth. The Provincial Growth and Development Strategy has a ten-year horizon with specific targets relating to a radical increase in the economic growth and the reduction of: poverty, unemployment, crime and child mortality (amongst others) by 2014. In this context, the Department is called upon to create an enabling environment in which micro-economic strategies can be implemented, such as those that relate to the development of small enterprises, support for manufacturing and agro-processing, promotion of mining and mineral beneficiation, diversification of the economy, attracting foreign trade and investment as well as promoting the utilization of communication technology. The acquisition and retention of

personnel with the necessary competencies is therefore essential. At the same time, the working environment must motivate staff to perform their functions outstandingly, while grievances and ill-discipline must be dealt with promptly. Save at the top echelons of management, performance management has never been implemented. The challenge for the sub-programme is to design key performance indicators in conjunction with operational staff.

Departmental Accounting has faced the challenge of re-organizing itself and finding a new chief financial officer after the split of the *Provincial Treasury* and *Tourism* from the Department of Economic Affairs to other departments. This affected the budget cycle, as well as elements of financial accounting such as reporting, compliance and financial history analysis. These matters are being addressed during the medium-term strategy and budgeting process. Furthermore, the programme needs to improve the internal audit function, so as to ensure effective, efficient and accountable administration.

6.2 PROGRAMME 2: ECONOMIC DEVELOPMENT

Purpose: *Economic Development Services* renders services for enterprise and local economic development, trade and investment, economic empowerment and equal opportunities.

This programme is divided into three sub-programmes:

- The sub-programme *Chief Director Support* provides for the office of the programme manager.
 - Enterprise and Local Economic Development
 - Economic Support Services
 - Chief Director Support
- Enterprise and Local Economic Development encourages, promotes and supports new and emerging enterprises by facilitating their access to financial and non-financial services that are necessary for these enterprises to overcome trade barriers and facilitates, promotes and supports local economic development initiatives identified in the municipal integrated development plans.
- Economic Support Services focuses both on empowerment of disadvantaged communities by facilitating, promoting and supporting co-operatives and community enterprises owned and managed by women, youth and people with disabilities and on strategic marketing of the province to potential domestic and foreign investors.

Table 6.2: Summary of payments and estimates: Programme 2 Economic Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Innovation Fund		21,250	6,866	25,000	29,134	29,134	25,000	25,000	26,250
Enterprise and local economy development	19,137	6,476	5,870	7,171	7,171	6,135	7,551	8,200	8,744
Economic support services	4,979	4,646	7,428	4,667	4,667	4,667	4,667	4,900	5,125
Chief director support				1,300	1,300	1,300	1,374	1,550	1,621
Total	24,116	32,372	20,164	38,138	42,272	41,236	38,592	39,650	41,740

Table 6.2.1: Summary of payments and estimates by economic classification: Programme 2 Economic Development

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Current payments	20,112	8,332	9,569	8,923	8,923	8,923	9,337	9,670	10,261
Compensation of employees	3,571	2,983	3,400	5,937	4,902	4,867	6,264	6,500	6,768
Goods and services	16,541	5,349	6,169	2,986	4,021	4,056	3,073	3,170	3,493
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	4,000	24,040	10,568	29,000	33,134	32,097	29,180	29,900	31,395
Provinces and municipalities			8			1	4,180	4,900	5,145
Departmental agencies and accounts				29,000	33,134	32,096			
Universities and technikons									
Public corporations and private enterprises	4,000	24,040	10,558				25,000	25,000	26,250
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	4	29	29	215	215	215	75	80	84
Buildings and other fixed structures									
Machinery and equipment	4	29	29	215	215	215	75	80	84
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	24,116	32,372	20,164	38,138	42,272	41,235	38,592	39,650	41,740

The programme faces the following challenges:

The Northern Cape is 60% rural, with vast geographical distances between settlements, low population densities. Close to 40% of the population is unemployed, while 70% comprises young people aged between 15 and 34 years. Agriculture and mining make up most of the gross geographic product. As agriculture is dependent on rainfall patterns, a characteristic dry climate and frequent drought have had the most devastating impact on jobs, as a quarter of all formal employment is in agriculture. Investment, production and employment decisions in both these sectors are extremely vulnerable to fluctuations in the movement of foreign currency exchange rates and the international business cycle. The recent scaling down of production and the resultant massive job losses at De Beers Consolidated Mines in Kimberly has further pointed to the limited long-term opportunities in the resources sector,

which is declining, thereby emphasizing the urgent need for the implementation of strategies aimed at diversifying the economy away from extractive enterprises towards secondary and tertiary sectors. *Economic Development* has the responsibility to facilitate, promote and oversee new enterprise development, investment promotion and local economic development in order to achieve the objectives of economic diversification, development and growth.

Programme 2: Economic Development Services measurable objectives and performance measures

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGET
Facilitate the establishment and growth of small businesses in all economic sectors	<ul style="list-style-type: none"> • Provide financial support to SEDA • Create awareness of economic opportunities in all sectors • Facilitate training of emerging entrepreneurs and SMME's • Facilitate business planning support to SMME's • Facilitate financial capital support • Facilitate access to physical infrastructure • Facilitate access to technology • Facilitate access to market • Facilitate mentorship for SMME's 	<ul style="list-style-type: none"> • Transfer payment made by SEDA • 4 information forums and public meetings (Conference meetings media campaigns) • 1 training programme implemented in each sector • 20 business plans in each economic sector completed • 20 SMME's funded • 20 SMME's provided with access to physical infrastructure • 20 SMME's helped access technology • 20 SMME's helped access markets • 20 SMME's under mentorship
Facilitate commercial and industrial investments by RSA companies	Promote business and investment opportunities in mining and mineral beneficiation	2 investment seminars, the dissemination of information brochures
Facilitate access of SMME's to mining and mineral beneficiation opportunities	<ul style="list-style-type: none"> • Create awareness of mining and mineral opportunities among SMME's • Facilitate skills training programmes • Facilitate business planning support • Facilitate access to funding and investment • Facilitate access to physical infrastructure and technology for beneficiation • Facilitate access to markets 	<ul style="list-style-type: none"> • 4 information forums and publicity methods used • 4 training workshops held • 20 business plans completed • 20 SMME's that received funding and capital investments • 20 SMME's helped access physical infrastructure and technology for beneficiation • 5 business that export finished goods
Promote the development, transformation growth and competitiveness of SMME's in the tourism sector	<ul style="list-style-type: none"> • Make SMME's aware of tourism opportunities • Promote entrepreneurship and creativity in arts and culture • Facilitate business planning support • Facilitate access to capital funding • Facilitate access to physical infrastructure and technology 	<ul style="list-style-type: none"> • 4 SMME information sessions held • 4 training programmes to enhance skills and creativity in the arts and culture • 20 business plans completed • 20 businesses helped to access funding

	<ul style="list-style-type: none"> • Facilitate access to markets • Promote BBBEE in tourism • Facilitate mentorship for SMME's 	<ul style="list-style-type: none"> • 20 business helped to access infrastructure and technology • 20 of businesses with access to markets • 2 BBBEE deals in tourism • 10 SMME's under mentorship.
Promote the development and growth of the information technology sector	<ul style="list-style-type: none"> • Make SMME's aware of opportunities in the ICT sector • Facilitate entrepreneurship and skills training in the sector • Facilitate the establishment of SMME's in ICT • Facilitate franchising • Provide business planning support • Create opportunities for access to capital • Facilitate access to technology 	<ul style="list-style-type: none"> • 4 information workshops held about opportunities • 4 of skills training programmes • 15 SMME's helped established • 10 franchises established • 15 business plans finalized • 15 SMME's funded • 20 SMME's helped access new technology
Facilitate development and growth of manufacturing and agro processing sector by providing access to training, markets and technology and enhancing competitiveness in the wine, meat, cotton and tannery sub-sectors	<ul style="list-style-type: none"> • Facilitate access to market information • Facilitate access to skills training • Facilitate access to business planning and capital funding • Facilitate access to industrial infrastructure • Facilitate access to technology • Facilitate research and development • Facilitate mentorship • Provide market support • Promote transformation in agriculture value chain 	<ul style="list-style-type: none"> • 4 workshops and information sessions held • 100 people who received training in technical and management skills • 24 business plans funded • 10 businesses incubated • 10 businesses helped access new technology • 10 Research and development projects commissioned • 10 SMME'S on mentorship • 6 businesses linked to export support • 6 BBBEE deals and co-operatives in agriculture
Promote the expansion of SMME participation in fishing and mariculture	<ul style="list-style-type: none"> • Facilitate the establishment of SMME's in the fishing and mariculture sector <p>Facilitate the growth of SMME's in fishing and mariculture</p> <p>Facilitate transformation through broad based black economic empowerment in fishing and mariculture</p>	<ul style="list-style-type: none"> • 10 SMME's establishment • 4 information sessions held to highlight opportunities in the sector • 10 SMME's helped with business planning and funding support • 10 SMME's assisted to establish market linkages • 10 SMME's assisted to acquire technology • 4 BBBEE information forums and medals • 10 meetings held with banks • BBBEE deals facilitated
Promote the participation of SMME's in the development, growth	<ul style="list-style-type: none"> • Make SMME's aware of economic opportunities in construction including affirmative procurement in 	<ul style="list-style-type: none"> • 4 information sessions regarding economic opportunities including affirmative procurement

and transformation of the construction sector	<p>government tenders</p> <ul style="list-style-type: none"> • Promote the participation of youth, women and people with disability • Facilitate access to business planning and capital funding support • Facilitate mentorship 	<ul style="list-style-type: none"> • 20 SMME's owned and managed by youth, women and people with disability • 20 businesses assisted with planning and access to funding • 20 SMME's under mentorship
Promote SMME's aware of economic opportunities in transport	<ul style="list-style-type: none"> • Make SMME's aware of economic opportunities in transport • Promote SMME and co-operatives formation and registration • Facilitate access to skills and mentorship • Facilitate access to technology 	<ul style="list-style-type: none"> • 4 public information sessions using different forums and media • 20 SMME's and co-ops established through SEDA • 20 SMME' and co-ops assisted with training and mentorship • 20 SMME's assisted to access technology

6.3 PROGRAMME 3: POLICY, PLANNING AND RESEARCH

Purpose: *Policy Planning and Research* facilitates and supports transformation, diversification, and growth in the provincial economy through the provision of economic policy development, economic research and analysis, business development and integrated development planning.

The programme is divided into five sub-programmes:

- *Office of the Chief Director* sub-programme provides for the programme manager to enable him to give strategic leadership to the operations of the programme.
- *Strategy Management* sub-programme supports the planning, implementation, evaluation, reporting and review of all elements of the department's strategy by monitoring and reporting on progress.
- *Economic Policy Research* sub-programme supports integrated economic planning by conducting research and analysis of the economy.
- *Business Initiative Development* sub-programme supports industrial development in targeted sectors.
- *Information Management and Information Technology Support* - is responsible for promoting and supporting advances in e-business, information society and the use of information and communication technology in the province.
- *Business Initiative Development* is responsible for business development.

Table 3.1: Summary of payments and estimates: Programme 3 Policy, Planning and Research

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
					2005/06				
Strategy management				2,400	2,400	2,100	2,400	2,500	2,613
Economic research				2,160	2,160	2,060	2,160	2,300	2,400
Information management				2,500	1,247	1,950	2,500	2,611	2,730
Business initiative development				3,950	4,253	3,950	3,950	4,100	4,300
Office of the chief director				940	940	940	940	1,000	1,046
Total				11,950	11,000	11,000	11,950	12,511	13,089

Table 3.1.2: Summary of payments and estimates by economic classification: Programme 3 Policy, Planning and Research

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
					2005/06				
Current payments				11,415	10,465	10,462	11,760	12,311	12,878
Compensation of employees				7,242	5,578	4,927	7,641	8,043	8,374
Goods and services				4,173	4,887	5,535	4,119	4,268	4,504
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:						3			
Provinces and municipalities						3			
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets				535	535	535	190	200	211
Buildings and other fixed structures									
Machinery and equipment				535	535	517	190	200	211
Cultivated assets									
Software and other intangible assets						18			
Land and subsoil assets									
Total economic classification				11,950	11,000	11,000	11,950	12,511	13,089

The Challenges to this programme are as follows:

This is a relatively new programme in the department. On the occasion of the Ten Year Review in 2004, it was realized that the lack of research and planning capacity in the department was a serious one, in the context of the overwhelming poverty and underdevelopment levels in the province. The Northern Cape Provincial Growth and Development Strategy set standards at the level which it aims to eliminate socio-economic problems during the next ten years of its scheduled life. Attempting to achieve the goals of the Strategy without scientific research and economic planning would have been

extremely unwise. Hence the establishment of this programme was decided upon. This programme will increasingly be relied upon to produce a huge number of research documents, to give advice at short notice and to carry out primary research in most sectors.

Programme 3: Policy, Planning and Research measurable objectives and performance measures

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGET
Analyse and identify opportunities, conceptualise policies and strategies and structure business initiatives in support of mining development and mineral beneficiation over the next three years.	Process maps developed for targeted mining development and mineral processing industries	Completed at least 1 conceptual process maps for targeted industries.
	Monitored strategic focus, alignment and performance of the department in terms of promotion of and support to the mining sector against strategies and plans	Alignment and performance against objectives evaluated and reported on quarterly.
Develop a comprehensive, implementable, sustainable manufacturing sector model for the NC by March 2009	Develop a framework for the implementation of a comprehensive, implementable, sustainable manufacturing sector model	Framework developed and implemented.
	Monitored strategic focus, alignment and performance of department in terms of promotion of and support to manufacturing sector against strategies and plans.	Alignment and performance against objectives evaluated and reported on quarterly.
Support economic development and utilisation of information society opportunities for the development of SMME's in the districts of the province over the next 3 years.	Monitored strategic focus, alignment and performance of the department in terms of promotion of and support to the SMME sector against strategies and plans	Alignment and performance against objectives evaluated and reported on quarterly.
Effective, efficient inter-governmental liaison and co-operation by DEA on planning and strategy matters	Inter-governmental plans and strategies related to economic development aligned / in harmony.	NCPGDS in line with NSDP and MTSF, IDP's in line with NCPGDS and departmental strategic plans and programmes in line with NCPGDS and related sector strategies.
Research and analysis of the viability and sustainability of the agro- processing sector for the NC in terms of beneficiation of produce on a yearly basis.	Environmental scan on policies for beneficiation for industries in the agro-processing sector	One analysis report completed and one beneficiation policy developed.
	Analysed existing legislative and policy environment of the agro-processing sector and developed policies to influence agro-processing.	One report on policy issues and gaps in legislation relevant to the Northern Cape. One report on recommended policy changes to support Northern Cape agro-processing sector.

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGET
Analyse and identify opportunities, conceptualise policies and strategies and structure business initiatives in support of mining development and mineral beneficiation over the next 3 years.	Environmental scan on policies for beneficiation for industries in the mining development and mineral beneficiation sector Analysed existing legislative and policy environment of the mining development and mineral beneficiation sector and developed policies to influence mining development and mineral beneficiation	One report on policy issues and gaps in legislation relevant to the Northern Cape. One report on recommended policy changes to support Northern Cape mining development and mineral beneficiation sector.
Develop a comprehensive, implementable, sustainable manufacturing sector model for the NC by March 2009	Environmental scan on policies for beneficiation for industries in the manufacturing sector	One analysis report completed on the manufacturing sector environment
To do the analysis of fiscal / resource re-distribution for sustainable economic infrastructure development and implementation in the NC province over the next 3 years	Researched needs and developed policies infrastructure development and analysed existing legislative and policy.	One needs analysis completed and one beneficiation policy developed. One report on policy issues and gaps in legislation relevant to the Northern Cape.
Researched needs and developed policies for the SMME sector	SMME needs analysis and policy for Northern Cape completed	1 needs analysis completed. 1 policy completed.
Analysed existing legislative and policy environment to influence the development of the SMME sector.	Policy issues and gaps in legislation relevant to the Northern Cape identified and recommended policy changes to support Northern Cape SMME sector.	1 report on policy issues and gaps in legislation relevant to the Northern Cape. 1 report with recommended policy changes to support Northern Cape SMME sector
To provide for regular monitoring and evaluation against PGDS targets	Monitoring and evaluation system developed and adopted.	Planning for and implementation of NCPGDS by other departments need monitored and evaluated
To provide for monitoring and evaluation of departmental plan	Monitoring and evaluation of the departmental plan	Monitoring and evaluation system developed and adopted
Research and analysis of the viability and sustainability of the agro- processing sector in the NC i.t.o. beneficiation of produce on a yearly basis.	Research and analysis of the viability and sustainability of the agro- processing sector in the NC i.t.o. beneficiation of produce on a yearly basis. Analyse and identify opportunities, conceptualise policies and strategies and	Models to promote value-adding, competitiveness and profitability developed for agro-processing industries. Value chains and linkages for agro-processing industries identified.

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGET
	<p>structure business initiatives in support of mining development and mineral beneficiation over the next 3 years.</p> <p>Develop a comprehensive, implementable, sustainable manufacturing sector implementation plan and model for the NC by March 2009</p> <p>Analysis of sustainable economic infrastructure development.</p>	<p>Reports completed on mining development and mineral beneficiation opportunities. Models to promote value-adding, competitiveness and profitability developed for mining development and mineral beneficiation industries. Identified value chains and linkages for 3 mining development and mineral beneficiation industries.</p> <p>Manufacturing sector implementation plan and model accepted and implemented in a sustainable manner by manufacturing cluster.</p> <p>Models to promote value-adding, competitiveness and profitability developed for economic infrastructure opportunities</p>
To develop a Northern Cape Information Society Strategy and Development plan (NCISS) by 31 March 2009	<p>Developed the Northern Cape Information Society Strategy and Development plan</p> <p>Develop an Information Society Strategy for SMME's, with the emphasis on e-business</p>	<p>Process owner model completed Process model and key players identified Effective integration and coordination inside and between process. Strategy built on evaluation of pilot projects. Social, technological and economic dimension plans developed Evaluation protocol for ISAD Strategy developed.</p> <p>Process owner identified Process model developed Partnership model developed Awareness, motivation, technical access, capabilities and support tools developed Strategy building, pilot projects and plan completed Evaluation protocol developed</p>
Establish enterprise information architecture and information management systems for DEA	EIA plan developed and implemented within resource limitations.	Realistic EIA plan approved in line with provincial ICT strategy and implemented incrementally in line with dept. resource constraints.

6.4 PROGRAMME 4: BUSINESS REGULATIONS AND CONSUMER PROTECTION

Purpose: The programme regulates business practices and ensures compliance with, and implementation of, legislation relating to liquor and gambling while maximizing revenue from these.

The programme is divided into three sub-programmes:

- *Consumer Protection and Advisory Services* sub-programme protects consumers against unfair, harmful, unlawful and unethical business practices.
- *Liquor Affairs* sub-programme enforces legislation relating to the sale and consumption of alcohol.
- *Gambling* sub-programme enforces legislation regulating gambling and betting.

Table 6.4: Summary of payments and estimates: Programme 4 Business Regulation and Consumer Protection

Table 6.4: Summary of payments and estimates: Programme 4 Business Regulation and Consumer Protection									
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
R thousand	2002/03	2003/04	2004/05	2005/06					
Liquor affairs	683	743	1,308	1,000	1,450	1,880	1,300	1,862	2,164
Gambling board	2,290	931	1,333	2,300	2,300	1,806	2,600	3,100	3,464
Consumer protection & advisory Services	1,362	831	2,176	2,712	2,712	2,775	2,712	2,820	2,952
Total	4,335	2,505	4,817	6,012	6,462	6,461	6,612	7,782	8,580

Table 6.4.1: Summary of payments and estimates by economic classification: Programme 4 Business Regulation and Consumer Protection

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
				2005/06					
Current payments	4,335	2,501	4,799	5,832	6,282	6,278	6,504	7,694	8,502
Compensation of employees	1,940	1,210	2,460	3,068	3,518	3,518	3,610	4,185	4,599
Goods and services	2,395	1,291	2,339	2,764	2,764	2,760	2,894	3,509	3,903
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:		4	9			4			
Provinces and municipalities		4	9			4			
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets			9	180	180	180	108	88	78
Buildings and other fixed structures									
Machinery and equipment			9	180	180	180	108	88	78
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	4,335	2,505	4,817	6,012	6,462	6,462	6,612	7,782	8,580

The challenges facing the sub-programmes in the programme are as follows:

The programme has a shortage of staff with the necessary competencies. This shortcoming compromises its capacity to play its role of law enforcement, advocacy and education. The sub-programme *Consumer Protection and Advisory Services* is facing the challenge of completing amendments to the Northern Cape Consumer Affairs (Unfair Business Practices) Act, establishing the Consumer Tribunal and creating the Office of the Consumer Protector.

Staff shortages also impact negatively on the liquor unit. The proliferation of unlicensed liquor outlets contributes to alcoholism and abuse of alcohol. The programme needs to create an environment for efficient, accurate and timeous collection of taxes and fees as well as regular verification of revenue audits. Such an environment will contribute to the reduction of alcohol abuse and its concomitant negative socio-economic problems by reducing the number of unlicensed shibeens, policing licensed taverns and bars, imposing administrative fines and prosecuting public complaints relating to liquor sale. Therefore the promulgation of a new Liquor Act is essential.

The gambling unit also needs to create a balance between enabling previously excluded entrepreneurs to enter the gambling and betting industry on the one hand and dealing effectively with the rising socio-economic ills consequent upon irresponsible gambling on the other. Again, staff shortages present a

potential obstacle to the ability of this unit to police and prosecute owners of unlicensed gambling dens, collecting taxes and fees and verifying revenue audits.

Programme 4: Business Regulation and Consumer Protection measurable objectives and performance measures

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGET
An effective Consumer legislative framework through the promulgation of the Northern Cape Unfair business Practice act and regulations	A Northern Cape Unfair Business Practices Amendment Act.	A Northern Cape Unfair Business Practices Amendment Act promulgated by April 2006.
An effective gambling legislative framework through the promulgation of the Northern Cape Gambling Act and regulations.	A Northern Cape Gambling Act. Optimise revenue collection.	Promulgate the Northern Cape Gambling act by March 2006 and commence with the implementation of the provisions thereof. A third casino in the province.
An effective liquor legislative framework through the promulgation of the Northern Cape Liquor Act.	A northern Cape Liquor Act	Promulgate the Northern Cape Liquor Act by May 2006 an commence with the implementation of the provisions thereof
Well established consumer protection environment through: The appointment of the Consumer Court by the Responsible MEC thereby effecting a functional Consumer Tribunal.	An operational Consumer Protector's Office and a functional Consumer Court.	Dates of Consumer hearings scheduled

<p>Inform consumers and expose them to and through programmes on consumer education through radio, workshops and newspapers.</p> <p>Recording of consumer queries and complaints and compiling of consumer vulnerability index by consumer Education.</p> <p>Ensure well informed consumers and business by holding consumers awareness workshops, talk shows and inspections through out the province.</p>	<p>Inform consumers and expose them through and to programmes on consumer education through the radio, workshops and newspapers.</p> <p>Distribution of promotional material on Unfair Business Practices Act, Credit Sales Agreement'</p> <p>Identify, procuring and implementing r electronic complaints management system.</p>	<p>Conduct at least 50 awareness initiatives covering about 4000 consumers through direct contact with consumer officials at contact points.</p> <p>Distribution of promotional material on Unfair Business Practices Act, Credit Sales Agreement</p> <p>Identify, procuring and implementing an appropriate electronic complaints management</p>
<p>Optimise revenue collection.</p>	<p>A third casino in the Province.</p> <p>500 limited pay out machines rolled out in 3 years</p>	<p>Award the third casino licence by the end 2006.</p> <p>A minimum of 100 limited pay out machines rolled out each financial year.</p>
<p>Eradicate illegal gambling activities</p>	<p>Reports on raids on illegal gambling outlets</p> <p>No. of inspection reports</p>	<p>Quarterly raids on illegal gambling l outlets</p>
<p>Effective secretariat service to the Liquor Board.</p>	<p>Minutes of the Meetings and notices of the Board proper arranged and 100%</p> <p>Applicants files properly presented and updated</p> <p>All relevant forms (registrations, temporary, transfers, etc.) to be designed and drafted</p>	<p>Eighty percent (80 %) of applications forwarded for Board decision within one month receipt.</p>
<p>Strict compliance with liquor regulations</p> <p>Public awareness of liquor related social issues</p>	<p>Inspections performed: level of compliance.</p> <p>Attendance of events; Conduct opinion surveys ; awareness programmes</p>	<p>One hundred percent (100 %) compliance with the regulations.</p> <p>Monthly radio talk-shows</p>

7. ADDITIONAL INFORMATION

Table 7.1: Personnel numbers and costs: Department of Economic Affairs

Personnel numbers	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008
Programme 1: Administration	23	23	23	41	41	41
Programme 2: SMME & business regulation	13	10	11			
Programme 3: Economic development services	7	11	12			
Programme 4: Consumer protection & board support	16	10	11			
Programme 5: Economic Development				44	44	44
Programme 6: Policy, planning and research				15	15	15
Programme 7: Business regulations & consumer protection				29	29	29
Total personnel numbers *	59	54	57	129	129	129
Total personnel cost (R thousand)	8,392	7,149	9,828	23,080	24,405	25,426
Unit cost (R thousand)	142	132	172	179	189	197

* Full-time equivalent